

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1403 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE
- 4 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 1999]:
- 6 **Chapter 4. Mandated Health Insurance Services Evaluation**
- 7 **Sec. 1. The general assembly finds the following:**
- 8 (1) Before acting on proposed health insurance mandates, the
- 9 general assembly should carefully consider the effects of the
- 10 mandates on consumers, workers, and small businesses.
- 11 (2) The general assembly has often acted without adequate
- 12 information concerning the costs of health insurance
- 13 mandates, focusing instead only on the benefits.
- 14 (3) The costs of health insurance mandates are often paid in
- 15 part by consumers in the form of higher prices and reduced
- 16 availability of goods and services.
- 17 (4) The costs of health insurance mandates are often paid in
- 18 part by workers in the form of lower wages, reduced
- 19 benefits, and fewer job opportunities.
- 20 (5) The costs of health insurance mandates are often paid in
- 21 part by small businesses in the form of hiring disincentives
- 22 and stunted growth.
- 23 **Sec. 2. As used in this chapter, "commission" means the**
- 24 **mandated health insurance services evaluation commission**

1 established under section 4 of this chapter.

2 **Sec. 3.** As used in this chapter, "mandated health insurance
3 service" means a legislative proposal that:

4 (1) requires coverage, or requires offering of coverage, for
5 the expenses of specified services, treatments, diseases, or
6 lengths of stay under any policy, contract, plan, or other
7 arrangement providing sickness and accident or other health
8 care benefits to policyholders, subscribers, members, or
9 other beneficiaries; or

10 (2) requires direct reimbursement, or requires a specific
11 amount of reimbursement, of health care providers under
12 any policy, contract, plan, or other arrangement providing
13 sickness and accident or other health care benefits to
14 policyholders, subscribers, members, or other beneficiaries.

15 **Sec. 4.** The mandated health insurance services evaluation
16 commission is established to assess the social, medical, and
17 financial impacts of proposed mandated health insurance services.

18 **Sec. 5. (a)** The commission consists of twelve (12) members
19 appointed by the governor as follows:

20 (1) Two (2) members of the house of representatives, to be
21 appointed by the speaker of the house of representatives. The
22 individuals appointed under this subdivision must be
23 members of different political parties.

24 (2) Two (2) members of the senate, to be appointed by the
25 president pro tempore of the senate. The individuals
26 appointed under this subdivision must be members of
27 different political parties.

28 (3) Two (2) members to represent small business, to be
29 appointed by the governor.

30 (4) One (1) member to represent the insurance industry, to
31 be appointed by the governor.

32 (5) One (1) member to represent labor, to be appointed by
33 the governor.

34 (6) One (1) member who is employed with an independent
35 actuarial firm, to be appointed by the governor.

36 (7) One (1) member who is a physician provider, to be
37 appointed by the governor.

38 (8) Two (2) members who are consumers and who are
39 employed, to be appointed by the governor.

40 (b) Not more than six (6) members appointed to the
41 commission may be members of the same political party.

42 (c) The governor shall appoint the commission chairperson.

43 **Sec. 6. (a)** The commission shall meet at least one (1) time each
44 month.

45 (b) The commission shall meet at the call of the chairperson.

46 (c) Seven (7) members of the commission constitute a quorum.

(d) The commission may take a final action upon the approval of seven (7) members of the commission.

Sec. 7. (a) Each commission member who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each commission member who is a state employee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 8. The legislative services agency shall provide administrative support for the commission.

Sec. 9. (a) If a bill or resolution that is introduced or pending in the general assembly contains a mandated health insurance service, the commission shall determine the following:

(1) The social impact of the proposed mandate, including the following:

(A) The extent to which the service is needed by and generally used by a significant portion of Indiana citizens.

(B) The extent to which insurance coverage for the service is already generally available.

(C) If insurance coverage for the service is not generally available, the extent to which the lack of coverage results in individuals avoiding necessary health care treatment.

(D) If insurance coverage for the service is not generally available, the extent to which the lack of coverage results in unreasonable financial hardships.

(E) The level of the public demand for the service.

(F) The level of the public demand for insurance coverage for the service.

(G) The extent of public demand for the inclusion of insurance coverage for the service in policies, contracts, plans, or other arrangements negotiated through collective bargaining.

(H) The extent to which the service is covered or provided by self-funded employer groups in Indiana that employ at least five hundred (500) employees.

(2) The medical impact of the proposed mandate, including the following:

(A) The extent to which the service is generally recognized by the medical community as being effective in the treatment of patients.

(B) The extent to which the service is generally recognized by the medical community, as demonstrated by a review of scientific and peer review literature.

(C) The extent to which the service is generally available and used by treating physicians.

(D) If the proposed mandate would require insurance coverage for a particular therapy, the results of at least one (1) professionally-accepted controlled trial comparing the medical consequences of the proposed therapy, alternative therapies, and no therapy.

(E) If the proposed mandate would require insurance coverage for an additional class of persons, the results of at least one (1) professionally-accepted controlled trial comparing the medical results achieved by the additional class of persons and the persons already covered.

(3) The financial impact of the proposed mandate, including the following:

(A) The extent to which insurance coverage for the service will increase or decrease the cost of the service.

(B) The extent to which insurance coverage for the service will increase the appropriate use of the service.

(C) The extent to which the service will be a substitute for a more expensive service.

(D) The extent to which insurance coverage for the service will increase or decrease the administrative expenses of insurers and the premiums and administrative expenses of policyholders, subscribers, members, or other beneficiaries under policies, contracts, plans, or other arrangements.

(E) The effect of the mandate, including any disproportionate impact in particular regions or industries, on consumers, workers, and small businesses, including the effect of the mandate on the following:

(i) Consumer prices and the supply of goods and services in consumer markets.

(ii) Worker wages, worker benefits, and employment opportunities.

(iii) Hiring practices, expansion, and profitability of businesses, including the hiring practices, expansion, and profitability of businesses with not more than one hundred (100) employees.

(F) The effect of the insurance coverage for the service

on the total cost and availability of health care in Indiana.

(G) The effect of the mandate on employers' ability to purchase health insurance policies meeting their employees' needs.

(b) The commission shall also have prepared an actuarial analysis of each mandated health insurance service described in subsection (a). The actuarial analysis must:

- (1) be prepared by or under the supervision of an actuary;
- (2) be completed in accordance with the actuarial standards of practice adopted by the Actuarial Standards Board of the American Academy of Actuaries; and
- (3) include at least the following:

(A) A summary of the mandated health insurance service.

(B) A description or reference to the actuarial assumptions and actuarial cost methods used in the analysis.

(C) A statement of the financial impact of the proposed mandated health insurance service on public and private insurance markets.

Sec. 10. The commission shall prepare the mandated health insurance service analysis required by subsection (a) before the bill may be recommended for passage by the committee of the house of representatives or senate to which it is referred and before the bill is voted on by either chamber of the general assembly."

Renumber all SECTIONS consecutively.

(Reference is to HB 1403 as printed February 25, 1999, printer's error version.)

Representative Behning